

15,000,000 liras for the Tuscan Bank of Credit; 146,250,000 liras for the Bank of Naples, and 36,000,000 for the Bank of Sicily, making a total of 755,250,000 liras (\$150,000,000),'

The necessity of maintaining public credit, and some complaints by the other banks that they suffered by the special favors granted to the National Bank, led to legislation in 1874 which established the *Consorzio*. This arrangement formed the banks into a syndicate for the withdrawal of the notes issued directly on behalf of the government and the substitution of a like sum (840,000,000 liras) in bank bills of the National Bank, which were made legal tender throughout the Kingdom. The notes issued by the provincial banks on their own account were to be legal tender *only* within the province in which the bank was established. The government voted itself the authority to increase its loans from the associated banks to 1,000,000,000 liras (\$200,000,000) and to demand a certain proportion of the amount in gold. The government pledged itself to deposit five per cent, securities as the guarantee of the loan and to pay a low rate of interest. The advances actually made to the government under this arrangement reached 940,000,000 liras, of which 600,000,000 was reimbursed from the product of a specie loan authorized by the law of April 7, 1881, and the remainder was transformed into government bills. The *Consorzio* came to an end with the abolition of forced legal tender in 1884. The circulation of the banks was slightly increased by the law of June 30, 1891, which admitted a maximum limit equal to the mean circulation of 1890.

The suspension of specie payments, the failure of the Roman Bank, and the almost complete collapse of the banking system of Italy came about in the latter part of 1892 and the beginning of 1893 as the result of wilful violations of law by the banks and the guilty connivance of public officials. The Roman Bank was accused of exceeding its circulation at almost the same moment that the director of the Roman branch of the Bank of Naples, Signer Cucciniello,

¹ Alfred Neymarek, Article "Banque," in *Dictionnaire d'Economie Politique*, I., 141-42.